

Thanks. I hadn't seen it before, am printing out a copy.

Just FYI, below are my notes from the MWD meeting that accompanied that presentation you sent around.

http://mwdh2o.granicus.com/MediaPlayer.php?view_id=12&clip_id=2505

Below are my notes from last week's meeting of the MWD Special Bay Delta Committee of the Board of Directors. A couple of key points:

- 1) The statewide water management part of the July 25th BDCP announcement does NOT include any new commitments from MWD – just announced what MWD committed to in their 2010 IRP.
- 2) Under the July 25th proposal, about half of the water exports from the new intake, half from existing pumps in the South Delta. So continued investments in Delta levees are important to reliability.
- 3) MWD expects that the Decision Tree will be fleshed out prior to October, which will identify the high and low ends of estimated exports so they can make their business case analysis of whether to move forward with BDCP.
- 4) This committee of the Board will have several important meetings in the next few months regarding BDCP's potential impacts on rates, economic analysis from outside experts, water supply reliability, etc.

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MWD presentation by Steve A on BDCP and discussion (starts around minute 29)

- July 25th announcement demonstrates the state/fed commitment to moving forward

- What's in the proposal (starts at minute 36)

- Joint proposal announced, but all alternatives will still be analyzed in EIS/EIR

- Governance

- BDCP will be managed and administered by DWR, USBR, and the water contractors – develop and administer budgets, oversee expenditures, hiring program manager (who does day to day management);

- Permit oversight group makes sure changes in adaptive management are ok; final authority on permit compliance

- Stakeholder council will include DSC, DPC, Delta Conservancy, Delta Counties, CVFPB – they provide input on budget and implementation

- Program manager hires a science manager, who plays a key role in the adaptive management team; as climate change, introduced species or other factors affect the system and potential refinement to the actions, the adaptive management team will develop responses

- Science & Adaptive management

- “Neutral and informative” – guides restoration

- Idea that there is a need to define initial operating criteria as it relates to delta outflow, this group would be involved in that

- Ecological restoration: habitat restoration & goals and objectives – lot of effort to begin tidal habitat soon

- Statewide water management – point to policies that have been established at state and regional level; MWD has put forward aggressive plans in its IRWMP, 2009 20x2020 law on water conservation and recycling; this recognizes those policies. It recognizes the progress that MWD has made and what we are building towards in the future.

- Total Retail Demand targets adopted in IRWMP: 2030 projections have dropped retail demand, despite population growth, with more demand for local supplies (2030 – essentially the same water demand as 1990, but using significantly less imported water because of local sources and conservation)

- Finance: water conveyance and mitigation paid by water exporters, habitat conservation paid primarily by state and federal. Still yet to be determined how much of habitat paid by exporters. We assume \$13B capital cost and \$86M in annual O&M for conveyance (State used \$14B in the July 25th announcement). Total of around \$17B. Lots of figures in the newspapers; \$17B is the 2010 cost estimate, does not include finance costs.

- Continued delta levee investments, no effect on upstream water rights and water use
- Schedule for public draft EIS/EIR
- Sometime later this year, maybe in the fall.
- **Have to refine description of facilities and operating description; couple areas of key focus on operations which will be part of the decision tree (spring and fall outflow) to determine what operations will be when the project is operational. Trying to identify the end points of the decision tree, so that we know what the low and high end are when we are considering moving forward with this action. Has to be developed before the public draft.**
- Final documents by middle of 2013, facility operational in 2026.

Q&A

- Q: Cost estimate includes 5 intakes instead of 3 – do you think the cost estimate will go up or down compared to 2010?
- A: I expect some costs will increase, some will decrease. Overall, I expect the cost will be at least the same amount and possibly more. O&M costs may have some savings by reducing number of intakes and using gravity fed.
- Q: Looking at slide with reduced demand (400,000 acre feet) – how much is MWD and how much is Santa Clara?
- A: for MWD region, we assume 600TAF; about 400TAF of that is target if you only consider the retail targets; when board adopted IRP we included an additional 200TAF; 585TAF identified in the IRP.
- **Q: so no greater than what we agreed to in the IRP?**
- **A: Yes.**
- Q: conveyance to be paid by water contractors and ecosystem by contractors and others, what happens if some contractors don't want to participate?
- A: The key thing is that for the reliable water supply, this is what it will take. These kinds of investments will be necessary, goal is to keep everyone invested in this. To the extent that parties won't pay, we'll have to address that. Doing nothing and not investing, we can expect further cutbacks from regulations.
- A: same problem as when SWP created – we don't know.

○ Q: will state project require take or pay contracts?

○ A: we already have take or pay contracts, which expire in 2035. No one is talking about renegotiating those contracts, so we are going to have to deal with what contract renewal will look like. One option would just be extension of existing take or pay contracts.

●□□□□□□□□ Q: of the 113,000 acres, how much already owned by gov, how much is farmland?

○ A: part is publicly owned. The habitat restoration is intended to add habitat to the system. We ought to be talking more about this and whether it is feasible, it's a pretty significant but achievable goal. When talking about habitat, that would be in tidal areas such as Suisun Marsh and Cache Slough. It will be a combination of using state properties whenever possible. Majority of land is not currently in state holdings. There will be effort to do a lot of habitat restoration early on, but detailed effort to do that is still being worked on, it's a long term investment that will last over 40 years.

●□□□□□□□□ Q: What's the elevation change from north to southern end of tunnel?

○ A: Just a few feet; ability to convey water through the tunnel is because the pumping units will lift the water 20 feet into the forebay, and that creates the elevation to convey the water through the tunnel. This forebay will be 600 acres?

●□□□□□□□□ Q: what kind of attention is being addressed to the conventional surface flows at the existing pumps?

○ A: lots of attention on through delta component. Fish agencies looking at what mix of conveyance makes the most sense for fish. Some is still delivered through the South Delta. **With 9,000 cfs capacity, roughly half the water moves through the new intakes, half from the South intakes.** When does it make sense to use new intakes to not interfere with salmon migration, but also have delta smelt and other problems in the South Delta. On the whole, about 50:50.

●□□□□□□□□ Q: how would you characterize investments in conveyance?

○ A: I think the continued state investment in the levees will contribute towards maintaining and improving the Delta system, for us who depend on through Delta and for others in the Delta. Also very important to how reliable water deliveries will be.

●□□□□□□□□ Q: Would these improvements be part of a bond in the future?

○ A: there was \$2.2B included in the 2009 version of the bond, has been delayed twice now to 2014. Roughly \$1.5B of that was for habitat restoration, rest for Delta improvements. I believe a lot of focus on the levee system in the coming legislative session.

●□□□□□□□□ **Upcoming Board presentations:**

- o September Board meeting – planning to have Mark Cowin talk to the Board about BDCP.
- o September Special Committee (4th Thursday): (1) refresh and update MWD's goals in the Delta regarding supply reliability and environmental improvement, and how we factor that into our rate projections; (2) how other large infrastructure projects get done (asking SFPUC to present to the committee regarding their retrofit project)
- o October Special Committee: review performance of the proposed project in terms of supply, cost, reliability. I'm assuming that as the Decision Tree gets fleshed out will be better able to review the proposal.
- o November Special Committee: Review business case for this project, with D. Sunding and other economic presentations
- o February 2013 Special Committee: Review EIS/EIR comments and the path forward.

From: Tom Hagler [mailto:Hagler.Tom@epamail.epa.gov]
Sent: Thursday, August 23, 2012 3:34 PM
To: Obegi, Doug
Subject: RE: Look at page 19 - Meral lists NRDC, TBI and Defenders

Apropos of nothing, make sure you have the Simmons v. USCOE case 120 F.3d 664 (7th Cir. 1997) in your files. NEPA/404 case, and wonderful language that the Corps can't just assume that the applicants desire for a single source of water supply (new dam, new reservoir) means the Corps doesn't have to look at alternatives to that single source of water supply.

Yes, I know it's 7th Cir and old, but it has great language and would be a great addition to someone's brief. Some time, some place.

(I re-found it as I cleaned my cube.)

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From: "Obegi, Doug" <dobegi@nrdc.org>
To: Tom Hagler/R9/USEPA/US@EPA
Date: 08/23/2012 03:26 PM
Subject: RE: Look at page 19 - Meral lists NRDC, TBI and Defenders

Poof – NRDC isn't listed on the document. I'm still good.

From: Tom Hagler [<mailto:Hagler.Tom@epamail.epa.gov>]
Sent: Thursday, August 23, 2012 3:12 PM
To: Obegi, Doug
Subject: RE: Look at page 19 - Meral lists NRDC, TBI and Defenders

Oops. My bad. I got it from Mike N. at the Corps, and his introduction to it on our call made it sound like it was the state's presentation.

"Never mind."

(But I was kind of hoping to see if you could fix this one as quickly as the other one. That was cool.)

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Date: 08/23/2012 03:09 PM
Subject: RE: Look at page 19 - Meral lists NRDC, TBI and Defenders

Actually, this is MWD's presentation, NOT the state's presentation. This was the presentation for the MWD Board meeting I sent around notes from earlier today. Slide #15 is actually the most interesting one...

And NRDC is not listed on this one on slide 19 - just the NGOs that signed the planning agreement and the consulting firm known as NHI.

From: Hal Candee [<mailto:hcandee@altshulerberzon.com>]
Sent: Thursday, August 23, 2012 3:04 PM
To: Nelson, Barry; Erin Lieberman; Gary Bobker; Obegi, Doug
Cc: KCatlett@defenders.org; Poole, Kate; bobker@sbcglobal.net
Subject: FW: Look at page 19 - Meral lists NRDC, TBI and Defenders

more of the same. this one seems more serious in some ways.

From: Tom Hagler [<mailto:Hagler.Tom@epamail.epa.gov>]
Sent: Thursday, August 23, 2012 2:58 PM
To: undisclosed-recipients
Subject: Look at page 19
Not to beat a dead horse (I'm into horse analogies these days; must be because I saw Cavalia), but page 19, in context, seems to make you all big boosters of the "Joint State-Federal" announcement.

From: "Nepstad, Michael G SPK" <Michael.G.Nepstad@usace.army.mil>
To: Erin Foresman/R9/USEPA/US@EPA, Tom Hagler/R9/USEPA/US@EPA, Karen Schwinn/R9/USEPA/US@EPA, "Idlof, Patricia S (Patti)" <Pidlof@usbr.gov>, "Allen, Kaylee" <Kaylee.Allen@sol.doi.gov>, "fbarajas@usbr.gov" <fbarajas@usbr.gov>, "michael.tucker@noaa.gov" <michael.tucker@noaa.gov>, "yvette.redler@noaa.gov" <yvette.redler@noaa.gov>, "Lori_Rinek@fws.gov" <Lori_Rinek@fws.gov>, "Monroe, Jim" <James.Monroe@sol.doi.gov>
Date: 08/23/2012 01:46 PM
Subject: FYI at state presentation on the BDCP just 3 days ago. (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Last page is a schedule. Got no idea if that's the official schedule or not.

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Classification: UNCLASSIFIED
Caveats: NONE